

House File 640

S-3251

1 Amend House File 640, as amended, passed, and  
2 reprinted by the House, as follows:

3 1. By striking everything after the enacting clause  
4 and inserting:

5 <DIVISION I

6 LEGISLATIVE INTENT

7 Section 1. USE OF RENEWABLE FUELS. The general  
8 assembly finds and declares all of the following:

9 1. In accordance with the federal Energy Policy  
10 Act of 2005, Pub. L. No. 109-58, as amended by the  
11 federal Energy Independence and Security Act of 2007,  
12 Pub. L. No. 110-140, the United States has demonstrated  
13 its commitment to the long-term policy of increasing  
14 the production of clean renewable fuels according to  
15 a renewable fuel standard, sometimes referred to as  
16 "RFS2," by requiring the increased domestic production  
17 and use of renewable fuels, which include total  
18 renewable biofuels such as ethanol, advanced biofuels,  
19 cellulosic and agricultural waste-based biofuels, and  
20 biomass-based biodiesel.

21 2. The renewable fuel standard provides the  
22 foundation for reducing dependence on foreign  
23 sources of crude oil, reducing the price of domestic  
24 transportation fuels, reducing greenhouse gases,  
25 increasing farm income, and encouraging the development  
26 and expansion of a new industry, and consequently  
27 promoting economic growth.

28 3. The rising price of petroleum hampers this  
29 nation's economic recovery and contributes to  
30 increasing retail prices, including increased costs  
31 attributable to the transportation of food and other  
32 goods, that drain the finances of both consumers and  
33 business.

34 4. The United States Environmental Protection  
35 Agency is responsible for establishing and implementing  
36 the renewable fuel standard, including by requiring  
37 that certain volumes of various types of biofuels  
38 be blended in transportation fuels each year with  
39 authority to adjust those volumes due to availability.

40 5. The United States government should renew its  
41 commitment to this nation's energy security, move the  
42 United States toward greater energy independence and  
43 security as required by the federal Energy Independence  
44 and Security Act, and use all efforts to meet the  
45 highest possible renewable fuel volume requirements set  
46 forth in the renewable fuel standard in order to ensure  
47 that this nation achieves energy independence.

48 DIVISION II

49 MOTOR FUEL MARKETING

50 Sec. 2. Section 323.1, Code 2013, is amended by

1 adding the following new subsections:

2 NEW SUBSECTION. 01. "*Blender pump*" means a motor  
3 fuel blender pump as defined in section 214.1 that  
4 dispenses motor fuel or special fuel in a manner  
5 required pursuant to chapters 214 and 214A.

6 NEW SUBSECTION. 3A. a. "*Dispenser*" means a meter  
7 or similar commercial weighing and measuring device  
8 used to measure and dispense motor fuel or special  
9 fuel, including renewable fuel, originating from a  
10 storage tank used to store fuel.

11 b. "*Dispenser*" includes but is not limited to a  
12 motor fuel pump or blender pump.

13 NEW SUBSECTION. 7A. "*Motor fuel pump*" means the  
14 same as defined in section 214.1 that dispenses motor  
15 fuel or special fuel in a manner that complies with  
16 standards set forth in chapters 214 and 214A.

17 NEW SUBSECTION. 7B. "*Refiner*" means a person  
18 engaged in the refining of crude oil to produce motor  
19 fuel or special fuel, and includes any affiliate of  
20 such person.

21 NEW SUBSECTION. 7C. "*Renewable fuel*" means the  
22 same as defined in section 214A.1 that complies with  
23 standards set forth in section 214A.2.

24 NEW SUBSECTION. 11. "*Storage tank*" means a  
25 motor fuel storage tank as defined in section 214.1,  
26 including an underground storage tank subject to  
27 regulation under chapter 455G.

28 NEW SUBSECTION. 12. "*Supplier*" means the same as  
29 defined in section 452A.2.

30 Sec. 3. NEW SECTION. 323.4A Use of renewable fuel.

31 1. Except as provided in subsection 3, this section  
32 applies to a supply agreement or other document  
33 executed on or after the effective date of this  
34 division of this Act by parties who are receiving and  
35 furnishing motor fuel or special fuel as follows:

36 a. A dealer who is a party receiving motor fuel  
37 or special fuel from another party who is a refiner,  
38 supplier, or distributor furnishing the motor fuel or  
39 special fuel.

40 b. A distributor who is a party receiving motor  
41 fuel or special fuel from another party who is a  
42 refiner, supplier, or other distributor furnishing the  
43 motor fuel or special fuel.

44 2. A supply agreement or other document shall not  
45 contain a provision restricting a dealer or distributor  
46 who is a party receiving motor fuel or special fuel  
47 from the other party furnishing the motor fuel or  
48 special fuel as described in subsection 1 from doing  
49 any of the following:

50 a. Installing, converting, or operating a storage

1 tank or a dispenser located on the distributor's  
2 or dealer's business premises for use in storing or  
3 dispensing renewable fuel. However, this paragraph  
4 does not apply to a dealer or distributor whose  
5 business premises are leased from the other party  
6 furnishing the renewable fuel.

7     *b.* Using a dispenser to dispense ethanol blended  
8 gasoline, including gasoline with a specified blend or  
9 a range of blends under chapter 214A, if the dispenser  
10 is approved as required by the state fire marshal for  
11 dispensing the specified blend or range of blends,  
12 including as provided in section 455G.31.

13     *c.* Purchasing, selling, or dispensing motor fuel  
14 or special fuel that is a renewable fuel from a source  
15 other than the party furnishing other motor fuel or  
16 special fuel, if such party furnishing the other motor  
17 fuel or special fuel does not furnish motor fuel or  
18 special fuel that is a renewable fuel for sale by the  
19 distributor or dealer.

20     *d.* Marketing the sale of any renewable fuel,  
21 including but not limited to advertising its  
22 availability or price on a sign, on a dispenser, or by  
23 media.

24     *e.* Selling or dispensing renewable fuel in any  
25 specified area located on the distributor's or dealer's  
26 business premises, including but not limited to any  
27 area in which a name or logo of a franchiser or any  
28 other entity appears.

29     *f.* Using a payment form for the sale of a renewable  
30 fuel by the retail dealer that is the same type as the  
31 payment form used for the sale of another type of motor  
32 fuel or special fuel by the dealer on the dealer's  
33 retail premises.

34     3. This section does not apply to any activity  
35 that constitutes mislabeling, misbranding, willful  
36 adulteration, or other trademark violation by a dealer.

37     Sec. 4. Section 452A.2, Code 2013, is amended by  
38 adding the following new subsections:

39     NEW SUBSECTION. 6A. "*Conventional blendstock*  
40 *for oxygenate blending*" means one or more motor fuel  
41 components intended for blending with an oxygenate or  
42 oxygenates to produce gasoline.

43     NEW SUBSECTION. 9A. "*Diesel fuel*" or "*diesel*" means  
44 diesel fuel as defined in section 214A.1.

45     NEW SUBSECTION. 28A. "*Nonrefiner biofuel*  
46 *manufacturer*" means an entity that produces,  
47 manufactures, or refines biofuel and does not directly  
48 or through a related entity refine, blend, import,  
49 or produce a conventional blendstock for oxygenate  
50 blending, gasoline, or diesel fuel.

1 NEW SUBSECTION. 30A. "*Refiner*" means a person  
2 engaged in the refining of crude oil to produce motor  
3 fuel or special fuel, and includes any affiliate of  
4 such person.

5 NEW SUBSECTION. 37A. "*Terminal owner*" means a  
6 person who holds a legal interest or equitable interest  
7 in a terminal.

8 Sec. 5. NEW SECTION. 452A.6A **Right of distributors**  
9 **and dealers to blend conventional blendstock for**  
10 **oxygenate blending, gasoline, or diesel fuel using a**  
11 **biofuel.**

12 1. *a.* A dealer or distributor may blend a  
13 conventional blendstock for oxygenate blending,  
14 gasoline, or diesel fuel using the appropriate biofuel,  
15 or sell unblended or blended gasoline or diesel fuel on  
16 any premises in this state.

17 *b.* Paragraph "*a*" does not apply to the extent that  
18 the use of the premises is restricted by federal,  
19 state, or local law.

20 2. A refiner, supplier, terminal operator, or  
21 terminal owner who in the ordinary course of business  
22 sells or transports a conventional blendstock for  
23 oxygenate blending, gasoline unblended or blended with  
24 a biofuel, or diesel fuel unblended or blended with  
25 a biofuel shall not refuse to sell or transport to  
26 a distributor or dealer any conventional blendstock  
27 for oxygenate blending, unblended gasoline, or  
28 unblended diesel fuel that is at the terminal, based  
29 on the distributor's or dealer's intent to use the  
30 conventional blendstock for oxygenate blending, or  
31 blend the gasoline or diesel fuel with a biofuel.

32 3. This section shall not be construed to do any of  
33 the following:

34 *a.* Prohibit a distributor or dealer from  
35 purchasing, selling or transporting a conventional  
36 blendstock for oxygenate blending, gasoline that has  
37 not been blended with a biofuel, or diesel fuel that  
38 has not been blended with a biofuel.

39 *b.* Affect the blender's license requirements under  
40 section 452A.6.

41 *c.* Prohibit a dealer or distributor from leaving a  
42 terminal with a conventional blendstock for oxygenate  
43 blending, gasoline that has not been blended with a  
44 biofuel, or diesel fuel that has not been blended with  
45 a biofuel.

46 *d.* Require a nonrefiner biofuel manufacturer to  
47 offer or sell a conventional blendstock for oxygenate  
48 blending, gasoline that has not been blended with a  
49 biofuel, or diesel fuel that has not been blended with  
50 a biofuel.

1 4. A refiner, supplier, terminal operator, or  
2 terminal owner who violates this section is subject to  
3 a civil penalty of not more than ten thousand dollars  
4 per violation. Each day that a violation continues is  
5 deemed a separate offense.

6 DIVISION III  
7 STORAGE TANKS

8 Sec. 6. Section 101.22, subsections 4 through 8,  
9 Code 2013, are amended to read as follows:

10 4. The registration notice of the owner or operator  
11 to the state fire marshal under subsections 1 through  
12 3 shall be accompanied by an annual fee of ~~ten~~ twenty  
13 dollars for each tank included in the notice. All  
14 moneys collected shall be retained by the department of  
15 public safety and are appropriated for the use of the  
16 state fire marshal. The annual renewal fee applies to  
17 all owners or operators who file a registration notice  
18 with the state fire marshal pursuant to subsections 1  
19 through 3.

20 ~~5. A person who deposits flammable or combustible~~  
21 ~~liquid in an aboveground flammable or combustible~~  
22 ~~liquid storage tank shall notify the owner or operator~~  
23 ~~in writing of the notification requirements of this~~  
24 ~~section.~~

25 ~~6.~~ 6. A person who sells or constructs a tank intended  
26 to be used as an aboveground storage tank shall  
27 notify the purchaser of the tank in writing of the  
28 notification requirements of this section applicable  
29 to the purchaser.

30 ~~7.~~ 6. ~~It is unlawful to deposit flammable or~~  
31 ~~combustible liquid in~~ An owner or operator shall  
32 register an aboveground flammable or combustible liquid  
33 storage tank which has not been registered pursuant to  
34 subsections 1 through 4.

35 ~~8.~~ 7. The state fire marshal shall furnish the  
36 owner or operator of an aboveground flammable or  
37 combustible liquid storage tank with a registration tag  
38 for each aboveground flammable or combustible liquid  
39 storage tank registered with the state fire marshal.

40 ~~a.~~ The owner or operator shall affix the tag to the  
41 fill pipe of each registered aboveground flammable or  
42 combustible liquid storage tank.

43 ~~b.~~ ~~A person who conveys or deposits flammable~~  
44 ~~or combustible liquid shall inspect the aboveground~~  
45 ~~flammable or combustible liquid storage tank to~~  
46 ~~determine the existence or absence of the registration~~  
47 ~~tag. If a registration tag is not affixed to the~~  
48 ~~aboveground flammable or combustible liquid storage~~  
49 ~~tank fill pipe, the person conveying or depositing~~  
50 ~~the flammable or combustible liquid may deposit the~~

1 flammable or combustible liquid in the unregistered  
2 tank. However, only one deposit is allowed into  
3 the unregistered tank, the person making the deposit  
4 shall provide the owner or operator of the tank with  
5 another notice as required by subsection 5, and the  
6 person shall provide the owner or operator with an  
7 aboveground flammable or combustible liquid storage  
8 tank registration form.

9 ~~c. It is the owner or operator's duty to comply~~  
10 ~~with registration requirements.~~

11 8. A late registration penalty of twenty-five  
12 dollars is imposed in addition to the registration fee  
13 for a tank registered after the required date.

#### 14 DIVISION IV

#### 15 FUEL TAX

16 Sec. 7. Section 452A.3, subsection 1, unnumbered  
17 paragraph 1, Code 2013, is amended to read as follows:

18 Except as otherwise provided in this section and  
19 in this division, until June 30, ~~2013~~ 2014, this  
20 subsection shall apply to the excise tax imposed on  
21 each gallon of motor fuel used for any purpose for the  
22 privilege of operating motor vehicles in this state.

23 Sec. 8. Section 452A.3, subsection 1A, Code 2013,  
24 is amended to read as follows:

25 1A. Except as otherwise provided in this section  
26 and in this division, after June 30, ~~2013~~ 2014, an  
27 excise tax of twenty cents is imposed on each gallon of  
28 motor fuel used for any purpose for the privilege of  
29 operating motor vehicles in this state.

30 Sec. 9. EFFECTIVE UPON ENACTMENT. This division of  
31 this Act, being deemed of immediate importance, takes  
32 effect upon enactment.>

33 2. Title page, lines 6 and 7, by striking  
34 <providing for liability,>

35 3. By renumbering, redesignating, and correcting  
36 internal references as necessary.

---

COMMITTEE ON WAYS AND MEANS  
JOE BOLKCOM, CHAIRPERSON